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FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3525  
INFO RUEHFK/AMCONSUL FUKUOKA 1047  
RUEHNH/AMCONSUL NAHA 3487  
RUEHOK/AMCONSUL OSAKA KOBE 4599  
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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002137

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E.O. 12958: DECL: 05/07/2017

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SUBJECT: AFTER GOLDEN WEEK DUST UP, GOJ FINALLY SET TO  
AUDIT U.S. BEEF PLANTS

REF: TOKYO 1890

Classified By: Charge Joseph R. Donovan for reasons 1.4 (b/d).

Summary

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¶1. (C) After weeks of stop and go negotiations, three teams of Japanese auditors will finally travel to the United States May 13 as part of the effort to end the box-by-box inspection rules that currently hinder trade in U.S. beef. Twelve Japanese officials will spend two weeks in America, heartland assessing nearly 30 beef slaughter plants. The trip resulted from a series of calls between high-level USDA officials and counterparts from Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)-- including several calls between Minister Matsuoka and Secretary Johanns. End summary.

¶2. (C) Progress in easing restrictions on U.S. beef coming into Japan came to a halt over Japan's Golden Week holidays when the Ministry of Health, Labor & Welfare (MHLW) asserted itself and, in effect, tried to water down a deal that had been struck by MAFF -- one in which Agriculture Minister Matsuoka agreed to end 100 percent box-by-box inspection of U.S. beef in exchange for Johanns' cooperation in facilitating a new round of Japanese audits of U.S. plants. After another round of Minister-level discussions during Golden Week the audits are back on under their original terms.

¶3. (C) Japan's view of the current understanding, based on the May 8 phone call between Secretary Johanns and Minister Matsuoka, is provided in paragraph 4. MAFF and MHLW have not yet provided us, however, with a clear explanation of the sampling rates they intend to apply after the end of 100 percent box-by-box inspections.

¶4. (C) When the Japanese market was reopened to U.S. beef in July 2006, the Japanese government made "Zenkako Kensa", or 100 percent box inspections by the importer, a requirement. The Zenkako results must be submitted before the MHLW will conduct an import inspection. MHLW uses administrative guidance to determine the frequency and type of inspection for U.S. beef and no lengthy rule-making process is needed to make changes. Meanwhile, the MAFF animal quarantine inspections are in practice, often conducted simultaneously with Zenkako inspections. This costs importers thousands of dollars per container and, as import volumes increase, is becoming a serious impediment because of limited freezer space at the ports. This system, we are told, should end as a result of the audits.

15. (C) However, both MAFF and MHLW also conduct import inspections of U.S. beef under animal disease and human health regulations, respectively. These inspections are paid for by Japan and are generally considered to be less of an impediment than the Zenpako. However, the inspection rates for U.S. beef are currently higher than they are for beef from other countries with similar risk profiles, such as Canada. MHLW and MAFF officials have been unwilling to discuss what the sampling rates for U.S. beef will be after the audits and the end of Japan's so called, "verification period."

16. (SBU) MAFF officials provided the Embassy with their notes from the May 8 phone conversation between Minister Matsuoka and Secretary Johanns. This text is provided below.

Begin Text.

-Minister Matsuoka conducted this teleconference with Secretary Johanns representing the Government of Japan (GOJ).

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GOJ agreed to conduct audits of all facilities as proposed by the USG, including those with no track record of export to Japan, and the one that is scheduled to be accredited in the future as well as to terminate 100% box inspection for facilities that do not have problems identified during the audit.

-To this end, GOJ requested the following points and the USG accepted:

In order to make audits effective, it would be desirable to have track record of export to Japan; therefore, it was

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requested that facilities without track record export to Japan and the one facility scheduled to be accredited in the future make an export shipment to Japan by the time of the implementation of audit. In case it cannot be done, such facilities should formulate a concrete plan of export to Japan, or at least conduct a mock-up of export process to Japan.

Since GOJ needs to verify corrective measures taken with regard to the incidents of mis-shipment during the audit, it was requested that USG should submit reports to be made public on the following facilities by the day before the audit:

1) Cargill Dodge City, about which the USG has not yet submitted a report on the cause of the incident and the completion of corrective measures; and

2) Lexington plant of Tyson, on which the USG has not yet notified GOJ of the completion of the corrective measures.

USG was requested to understand that the quarantine offices of MHLW will conduct monitoring on samples according to track record of export to Japan and audit findings.

-GOJ will dispatch audit teams by the end of this week.

End Text.

DONOVAN